



# News Release

U.S. ARMY SUSTAINMENT COMMAND

**June 27, 2007**

## ASC SELECTS LOGCAP IV CONTRACTORS

*ROCK ISLAND, Ill.* – The U.S. Army Sustainment Command (ASC) has selected three companies to provide essential logistics support services to forces in the field. The successful firms will serve as performance contractors under the LOGCAP IV contract.

The three companies are DynCorp International LLC of Fort Worth, Texas; Fluor Intercontinental Inc. of Greenville, S.C.; and Kellogg, Brown and Root (KBR) Services of Houston, Texas.

Under the Logistics Civil Augmentation Program, or LOGCAP, contractors from the private sector are used to provide a broad range of logistics and support services to U.S. and allied forces during combat, peacekeeping, humanitarian and training operations. The LOGCAP umbrella contract dates to 1992, when a contract for support services was awarded by the U.S. Army Corps of Engineers.

DynCorp held the LOGCAP II contract from 1997 through 2001. In December 2001, the LOGCAP III contract was competitively awarded to KBR. Since that time, more than 50,000 contractor and subcontractor employees have delivered more than \$20 billion in front-line logistics and support services to military units deployed to Iraq, Afghanistan and other locations.

The transition from LOGCAP III to LOGCAP IV will be made in lieu of exercising government options to renew the present arrangement. Terms of the transition and the start date of performance under LOGCAP IV will be announced.

LOGCAP IV employs a new strategy developed by ASC, in consultation with its higher headquarters, the U.S. Army Materiel Command (AMC), and combatant commanders, who represent LOGCAP's ultimate customers – Soldiers and other U.S. servicemembers in the field.

The new strategy calls for multiple contractors to deliver services under LOGCAP, instead of using a single contractor for the entire contract. Under the strategy, planning support and performance functions have been split to more effectively manage the number and scope of LOGCAP actions required to fight the Global War on Terror.

The use of multiple LOGCAP contractors is designed to reduce risk to the government, which no longer needs to rely on a single company to execute the entire LOGCAP contract at a time of very high demand for military logistical and support services. Under the new strategy, the three performance contractors may compete for individual LOGCAP task orders, creating a competitive environment meant to control costs and enhance quality.

Solicitations for the planning support and performance contracts were issued in August 2006, and proposals were accepted in October 2006. A total of two proposals were received for the planning support contract, while six proposals were received for the performance contract. All proposals were evaluated based on a “best value” approach, which examines a company’s ability to deliver the best possible service to the government.

In February 2007, the LOGCAP IV planning support contract was awarded to Serco Inc. of Vienna, Va., the North American affiliate of a parent company, Serco Group PLC, based in the United Kingdom. The contract was awarded for one base year with four option years, with a maximum value of up to \$45 million per year. Serco Inc. supports the LOGCAP contract by providing a broad range of logistics planning and program support functions.

Like the LOGCAP III contract, the LOGCAP IV performance contracts are being awarded as Indefinite Quantity / Indefinite Delivery (ID / IQ) contracts with one base year and nine option years. Each of the three contracts has a maximum value of up to \$5 billion per year, for a total annual maximum value of \$15 billion and a lifetime maximum value of \$150 billion.

The types of services that will be delivered under the LOGCAP IV performance contracts are similar to those currently delivered under the LOGCAP III contract. These services include supply operations, such as the delivery of food, water, fuel, spare parts, and other items; field operations, such as dining and laundry facilities, housing, sanitation, waste management, postal services, and Morale, Welfare and Recreation (MWR) activities; and other operations, including engineering and construction, support to communication networks, transportation and cargo services, and facilities maintenance and repair.